

To: Mayor and City Council
Cc: John Szerlag, City Manager
Lori Grigg Bluhm, City Attorney

From: Robin Beltramini, Council Member

Subject: Michigan Municipal League Legislative Conference
Lansing MI, March 20, 2002

Date: April 1, 2002

Like the National League of Cities Congressional Cities conference, this was a day packed with information from a variety of sources. Martin Howrylak attended different break-out sessions than I did; so, his report will be different, in some respects from mine.

MORNING GENERAL SESSION:

State and Local Relationships:

Panelists were: Dan DeGrow, (R-Port Huron) Majority Leader, MI State Senate; John Cherry, (D-Clio), Minority Leader, MI State Senate; Rick Johnson, (R-Leroy) Speaker of the House; Samuel "Buzz" Thomas, (D-Detroit) Minority Leader, MI House of Representatives. There were no opening remarks; session went directly to questions and answers.

From Alma: What are your thoughts on the raise in the diesel tax?

Ans: Johnson—House pushed for the increase, but it looks to be in trouble.

How to divide it up is way far down the road, but a reason for the stall.

DeGrow—Probably won't pass in the Senate. Cherry—Too political. . .not enough people urging legislators to pass it. The current bill will take much more compromise. The public seems to understand that trucks are taxed far below autos. Thomas—I would like to see the tax passed, paperwork streamlined, but many won't even talk without a distribution formula.

Brighton: Law needs to be changed so that reserve officers being used for security can carry concealed weapons.

Ans: DeGrow—There's a bill in process to cover that and the votes seem to be there to pass it. Johnson—same true in the House.

Huntington Woods: State share of tobacco settlement—youth programs, health care, prevention, school health programs have been cut. Will you revisit using that settlement money for scholarships?

Ans: Johnson—merit scholarship is available and not as big for out of state. We think it's okay. DeGrow—That's not going to change.

Mt. Pleasant: Water pumping to begin on environmentally sensitive site. What is being done?

Ans: DeGrow—Senate Task Force recommends different permitting process than has been used in the past. The bill is out of committee in April. It will require proof that pumping will not harm the aquifer. Cherry—That particular

permit was a dangerous precedent. Definitely need to fix the process.

Johnson—House bill will limit flow of gallons.

Jonesville: Will several state police posts throughout the state be closed?

Ans: DeGrow—There's been discussion, no plan. How could we do that? It

would be political suicide. Cherry—It would come through us and it hasn't.

Manchester: Affordable housing is a great goal, but manufactured housing districts create extra strain on city resources. What adjustments are being made?

Ans: Thomas—It's an ongoing discussion. Resolution is desired. Johnson—We should see movement on this before the break. Resolution will come after

Easter. DeGrow—Nothing soon in the Senate, but it will happen. Cherry—

Fundamental size will change taxation regulation issues.

Madison Heights: Will levels of state shared sales tax revenues be restored?

Ans: DeGrow—State budget factors a strong economic turn beginning in April.

Cherry—Won't re-examine because of basic budget shortfalls. Any extra tax revenues will go to the general fund.

Ishpeming: Act 51 formulas for snow removal assistance needs to be continued.

Ans: Johnson—don't see anything changing there.

MORNING CONCURRENT SESSION

Transportation Issues: Improving Roads and Bridges in an Era of Harsh Budget Realities

Comments and answers provided by Judson Gilbert II (R-Algonac), State Representative and Chair of the Transportation Committee and Glenn Anderson (D-Westland), State Representative and Minority Vice Chair of the Transportation Committee.

Remarks from Gilbert focused on reforms of PA 51; the diesel tax issue where he sees four areas for change—increase the tax; simplify—even though the truck stops are lobbying for non-pump collection system; change from sales tax to consumption tax; and earmark 85% to highway fund and 15% to bridges (Road commissions are fighting the earmarking of funds.). The reason for the increase in diesel, or consumption taxes for trucks is a simple formula—trucks cause 40% of road damage and pay 16% of road costs under current formulae. When discussing transit (bus) funding, Gilbert favors a formula for efficiency and effectiveness instead of just cost. Also, he wants to look at an asset management plan where federal dollars filter directly to counties, cities, and villages. One of the proposed changes is a single, universal definition for “maintenance”—to facilitate uniform funding. In the new road funding system there is provision for up to four demonstration projects per year.

Remarks from Anderson focused on diesel tax increases run through an equitable formula, like the one in PA 51. He expressed great concern about the various interdepartmental grants that were taken from the transportation fund (e.g., to the Secretary of State). Such deductions take from local transportation revenue. For instance, the proposed transfers were \$30 million, which could transfer into \$6 million in direct loss to locals. Anderson reported that lobbying is

being done in Washington on behalf of MI to try to effect a change in the President's transportation funding plan.

Question and Answer period:

From Alma: What are your thoughts for Gov. Engler's proposal for increased interdepartmental grants/transfers?

GA: Don't like them. Auditor General believes that some may be improper. We are looking to make cuts in the Governor's proposal.

Livonia: Do you really think the diesel tax issue can move?

GA: Probably, provided the Senate shows greater willingness to move the bill. We need more local pressure.

Gladstone: A lack of consistency as things change makes it hard for locals to plan and budget.

JG: We'd like to see a limits, and a transfers policy—long term, not subject to the whims of a budget.

Utica: Where is the vision for state transportation issues, including border exchange of product?

JG: Border crossing issues are being addressed. There is thought being given to converting the old rail tunnel into a truck tunnel and building a new rail tunnel.

Madison Heights: Has the Legislature talked to businesses about road needs?

JG: We heard from all sorts of folks

Huntington Woods: Can we reduce the allowance for truck weights?

JG: Won't go beyond the talking stage now.

Unknown official: What is the best way for locals to lobby legislators?

GA: One on one.

There were a series of other similar questions, including one regarding the disparity between auto leasing fees, vis a vis the general fund, and auto sales tax and the transportation fund. These two didn't see much change coming in anything.

AFTERNOON CONCURRENT SESSION

Terrorism and Security: The New Municipal Challenge

Presenters were Captain John Ort, Commanding Officer, Emergency Management Division, Michigan State Police and Chair of the Homeland Security Task Force for the State of Michigan and Michael Guido, Mayor, Dearborn, and Co-chair of the NLC Homeland Security Group.

Captain Ort discussed many of the pieces of legislation designed to better protect communities. One of the most important is the tightening of "FOIAable" information as it pertains to emergency preparedness. Energy and infrastructure management information is specifically not subject to FOIA. Another is the amendment to the Emergency Management Act that will allow a governor to declare a state of emergency to protect public and private interest if a credible threat is discerned. There are 40 pieces of legislation in all—federal and state. There was also much discussion regarding funding—grants, reimbursements, software purchase opportunities, about which I have already briefed our city management.

Mayor Guido started by stressing the importance of mutual aid pacts within a region and went on to discuss the NLC initiatives—the template of potential activities, policies, procedures, and protocols. As helpful as all of these are and will be, it is still up to each individual community to develop plans for “any” disaster. Share the plan with the region and state so that, if it must be enacted, federal funds could be received. Educate and train the public. Captain Ort mentioned this, as well, particularly in terms of WMD and dirty bombs. A void of information and understanding will create panic. Assure your public that your town has a plan; we’re safe.

Both agreed that there are things local leaders and citizens can do, beyond what law enforcement and emergency agencies’ responsibilities:

- Support local coordinators, programs, and first responders
- Stay vigilant
- Overcommunicate—information is power
- Develop partnerships—start planning now, across neighborhoods, professions and jurisdictions

Questions and answers:

Q: Is state coordinating with support agencies such as the Red Cross

A: Ort—Some have been plugged into plans and we are trying to do more.

Guido—Each community can have such a relationship on its own.

Q: How can we educate the public regarding the meanings of the various levels used in the new advisory system?

A: Ort—System is designed to be generic. MSP is refining those definitions as it relates to MI. Guido—Color code gives better handle on meaning and geographic pinpoints.

Comment: Judicial system must be willing to fully prosecute hoaxes.

Q: How will first responder funds disbursement be decided?

A: Ort—First round of funding will be based solely on population. Later round(s) may include a preparedness quotient or risk assessment value.

Q: Are there plans for evacuation of cities?

A: Ort—That would be up to each city. It would be good for evacuation plans to be shared with any jurisdiction involved.

Q: Will assistance be available for communication equipment purchase?

A: Ort—First responder funding includes some of those monies and cities can participate in the state system. Guido—NLC and the US Conference of Mayors are working on funding part of the spectrum to designate for homeland security.

Q: What about potential closing of MSP posts?

A: Ort—Closing some posts may actually put more officers in the communities. The plan is to close some posts and transfer those officers to storefront operations. MSP simply gives up responsibility for a building.

Key Municipal Legislative issues for 2002

MML staff members Scott Schrager and Don Stypula coordinated this overview of recently passed and currently pending legislation. Some was “old news,” but

all was helpful. I have given an overview to our Legal Department and to Administration. This will be a brief description of items that will impact us:

- PA 174 of 2001 is the open space act. Our open space development option covers this except for R1 -A and R1 -B. Those sections will have to be revised for compliance.
- PA 263-265 requires sharing of plans with adjoining jurisdictions. We do this as a matter of course. There are specific time periods for allowing public and neighboring comment.
- Broadband and ROW legislation allows that the first \$30 million of the fee is divided 75% to cities/villages with the rest allocated through the PA 51 formula. However, the fees are mandated at only 2cents per linear foot in 2002 and 5 cents per foot in 2003. All contracts must be reviewed and revised, as necessary, before Dec. 31, 2003 in order for the cities to share the revenues. Also, Governor Engler is seeking a Supreme Court advisory opinion on the ability to impose fee based on the 1883 statute conferring franchise rights on “incumbent providers.” FYI providers, such as SBC Ameritech who already have some lines in the ground are trying to claim an “incumbent provider” exemption from any new fees.
- Basement backups—See this week’s Supreme Court ruling. Good job to staff to send out the release regarding notification! The court ruled and PA 222 states that no city can be held responsible in a suit unless the property owner notified the city of the backup and there is a proven defect in construction, maintenance, or operation of the system, among other details.
- Revenue sharing proposal is \$102 million below a full-funding level. There is \$10 million “hold harmless” line in the FY 2003 for each city, village, township and county. However, the language offered will actually preclude that money ever getting to the city in an improved economy. Also, there are some legislators trying to base revenue sharing allocations on local management issues—such as “Has the city done all it could to raise its own money? Raise taxes? Are fees appropriate, comparable to other communities?” Such a movement undermines local control and leads to a whole series of “By whose definition” questions.
- State Education tax collection is proposed by the governor to be moved to July, creating a one-time revenue increase of \$489 million in FY 03.
- Election consolidation bills continue to be discussed and one will probably pass. City elections will most likely be forced to move to May or Nov. In cases of necessary charter amendments, city legislative bodies will be able to make any changes by resolution (!?!).
- Transportation—PA 51—House Appropriations Subcommittee has restored \$40 million from a proposed Sec’y of State transfer. Also, the diesel tax increase as proposed would go mostly to state highways and a total of only \$670,000 to cities and villages, and that is earmarked for bridges on the national highway system only. MML and CRAM fighting to put all into the Act 51 formula.

- Transportation—bridges—The only way to get funding is to take legislators by the hand and show them the need.
- HB 5396 proposes an Asset Management Council under the State Transportation Commission. MML, CRAM, MDOT, and MPOs will each have equal representation. Townships have one, non-voting seat.
- PA 27 of 2002—The Spot Blight Act will allow a city to designate property as “blighting” after which it can be acquired and condemned.
- HB 5756 requires a uniform property maintenance code, but will allow for locals to adopt standards higher than those adopted by the state (new BOCA code is the minimum)

There was more, less specific discussion on Great Lakes drilling, pumping, and, of course terrorism and security. However, these are the highlights not discussed elsewhere in this report.

The sessions ended with campaign appearances from Lt. Governor Posthumus and former Governor Blanchard. All of the rest of the gubernatorial candidates were invited, but were unable to attend.

The day ended with the Legislative reception. Both the House and Senate had been in session all day, but chose to break over the dinner hour. So, I met briefly with a staffer from Senator Johnson’s office and with both John Pappageorge and Robert Gosselin. While this was a more social than business occasion, I, once again, talked about transportation financing, being the biggest donor city in the biggest donor county in the state, and the fact that the region needed a conference center and Troy could build it with a large grant from the state.

Once again, thanks for the opportunity.

REB